

A New Grow Delaware Fund is Announced to Mirror the Success of the Grow Wilmington Fund in Helping Small Businesses Succeed

The two funds are designed to spur job growth in Delaware

Community and business leaders came together today to celebrate the success of a small business initiative which began in Wilmington a few years ago and to announce a complimentary effort that will support small businesses and job growth throughout Delaware.

Facilitated by West End Neighborhood House, The Longwood Foundation, Discover Bank, Department of State Division of Small Business Development and Tourism and the National Development Council, the Grow Delaware Fund was unveiled today at a ceremony in Wilmington. The Grow Delaware Fund, which seeks to replicate the success of the Grow Wilmington Fund, is a unique partnership that will provide \$5 million to support loans to small businesses in Delaware that are seeking to strengthen their operations and grow jobs. The new initiative will offer flexible financing to Delaware-based businesses through long-term fixed rate financing designed to minimize monthly principal and interest payments maximizing a business' ability to grow. This will allow Delaware businesses to both add and retain jobs.

The Grow Wilmington Fund, established in 2014, is a partnership between Wilmington Office of Economic Development, Discover Bank, Cozen O'Connor and the National Development Council, an SBA 7(a) lender and community development

financial institution. It began with \$1 million in seed money from Wilmington's Urban Development Action Grant Corporation (UDAG), a quasi-governmental non-profit development corporation, wholly-owned by the city of Wilmington. UDAG's investment leveraged \$3 million of private funds to establish a \$4 million fund that offers low-interest, long-term loans to small businesses currently operating in Wilmington or looking to relocate to the city. The fund can be used to acquire real estate, perform leasehold improvements and obtain working capital. Since its inception the fund has loaned in excess of \$3.2 million to support four small businesses which were able to create 17 new and retain 52 existing jobs.

Among the business that have benefitted from the Grow Wilmington Fund are Short Order Production House (formerly, The Kitchen) which used the fund to open its offices at the Joseph R. Biden Jr. (Wilmington) Railroad Station and Paul Campanella's Auto & Tire Center, which used the Grow Wilmington Fund to move from its former location just outside of the city limits to its new location near the intersection of Concord Avenue and Broom Street. Owner Paul Campanella hosted today's Grow Delaware announcement ceremony at his new Wilmington location at 1005 West 27th Street which is scheduled to open in November. Campanella said he wanted an opportunity to thank everyone for the assistance his business received from Wilmington's small business initiative.

Grow Delaware Fund loans range from \$150,000 to \$4,000,000. The amount a business can borrow is subject to underwriting guidelines and loan fund availability. Once obtained, loan funds may be used for:

- Working Capital – to be repaid over 10 years
- Machinery and Equipment – to be repaid over 10 years
- Real estate acquisitions/renovation of owner-occupied businesses – to be repaid over 25 years
- Tenant improvements – to be repaid over the life of the lease

- Refinancing existing debts

Together, the Grow Wilmington and Grow Delaware Funds will leverage over \$11 million to assist economic development and job creation.

“This is how we want to see economic development function in Delaware,” said **Governor John Carney**. “It takes a model that worked well at the local level and expands it statewide, helping businesses to grow and proposer from Claymont to Delmar. Small businesses are a cornerstone element of Delaware’s overall economic strength, and I look forward to seeing the new successes that will come out of assistance from the Grow Delaware Fund.”

Wilmington Mayor Mike Purzycki today thanked Governor Carney, Discover Bank and Longwood Foundation for their \$1.5 million commitment to the small business community in Wilmington via the Grow Delaware Fund. “Wilmington is excited to be able to share its successes with a growth fund with small businesses and municipalities throughout the state. In Delaware, we get more done because we work together and freely share programs and ideas that can be leveraged for the greater good.”

“As amazing as it may sound, the Small Business Administration tells us that small businesses account for 99.7 percent of all employers in the United States, and employ over 56 million people. Therefore, the importance of providing growth capital to small businesses is critically important to the economies of Delaware and the nation. NDC is proud to be a partner in the innovative Grow Delaware Fund, which will provide reasonably priced loan capital to growing small businesses throughout the State of Delaware,” said Daniel Marsh, President and CEO of NDC.”

“Discover has been deeply committed to supporting the greater Delaware community for more than 25 years. As we have grown to become one of the leading direct banks, we have remained

focused on supporting and promoting job growth in the communities in which our employees live and work,” said **James J. Roszkowski, president of Discover Bank**. “Whether it’s through innovative financial programs like the Grow Delaware Fund or the thousands of volunteer hours, Discover is focused on making a positive difference in communities around the country.”

Deepa Singh, program manager for the Grow Delaware Fund highlighted the fund’s state-wide approach: “The program’s outreach efforts have helped to catalyze the growth of a network of existing public/private/non-profit resources working collaboratively to support Delaware small businesses. Small businesses in all three counties have started the application process with the Grow Delaware Fund.” Ms. Singh will be available throughout the state to meet with businesses and promote the program.

The Grow Delaware Fund is the latest initiative to support the expansion of businesses in Delaware. Earlier this year, West End kicked off the Launcher Entrepreneurship program. Launcher was created to educate aspiring entrepreneurs on the fundamentals of starting their own businesses and help existing businesses expand. West End’s program is based on four primary components, which include: (1) business training, including classroom instruction and one-on-one mentoring focused on the basic elements of starting a business; (2) business support, such as topic-specific workshops taught by local experts; (3) loans/access to credit, provided by a local Community Development Financial Institution (CDFI); (4) business incubators – shared office and workspace to reduce costs and facilitate collaboration.

About Campanella’s Auto & Tire Center, host of today’s news conference

Paul Campanella’s Auto & Tire Center Service was founded in 1986. The locally-based and family-owned company employs 29 people – 25 full time and four part-time—at two locations.

Later this month, Campanella's will move from its current Augustine Cut-Off location to a new Wilmington facility at 1005 West 27th Street behind the Fulton Paper Company. The company's other location is Paul Campanella's Pike Creek Automotive at 2379 Limestone Road in Pike Creek. Campanella's provides customers with high quality automotive services and superior customer service which has won it numerous awards from the Better Business Bureau and the Delaware Business Times. Its reputation has helped build long-term relationships with customers. The mission of the Paul Campanella Auto & Tire Center mission is to be the best provider of quality automotive products and [services](#), while leading the industry in innovative processes.